



U.S. Department of Justice

*United States Attorney
Eastern District of Virginia*

Paul J. McNulty
United States Attorney

2100 Jamieson Avenue
Alexandria, VA 22314 (703) 299-3700

News Release

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For further information contact
Sam Dibbley 703-842-4050

Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Hazem S. Garada, age 40, of Fairfax, Virginia, was sentenced today by Chief Judge Claude M. Hilton to a period of 18 months incarceration, a fine of \$10,000 and \$190,981.43 in restitution. In March 2004 Garada pled guilty to one count of health care fraud in connection with his fraudulent billing practices of health benefits programs. Garada, who operated a medical office in McLean, Virginia, routinely submitted reimbursement forms reflecting charges for patients who actually received no medical service or received services less complex than those billed. At the sentencing hearing, Judge Hilton ordered that the restitution amount be deducted from Dr. Garada's \$1 million bond.

The investigation into Dr. Garada's fraudulent billing practices began in July 2003 when fraud investigators at health care company Anthem Blue Cross and Blue Shield ("Anthem") observed that Garada's billing submissions were much higher than those of average Northern Virginia medical providers. Anthem then began an investigation into Garada's claims submissions. Shortly after Anthem requested to review Garada's medical files at his office in McLean, a fire occurred at Garada's medical office. Fairfax County Fire Department officials determined that there was no accidental cause for the fire and that the fire began by arson. Federal investigators, including the Federal Bureau of Investigations, the Drug Enforcement Administration, and the Department of Health and Human Services, then began to investigate both the arson and health care fraud violations.

A federal grand jury returned an indictment in December 2004 charging Garada with arson in connection with the suspicious fire at his office in McLean. In March 2004 Garada pled guilty to health care fraud and, in exchange for that plea, the United States dismissed the arson charge. Garada agreed to surrender his medical license in all jurisdictions, including Virginia, and agreed to pay approximately \$90,000 in restitution to Anthem and approximately \$101,000 to Medicare.

From approximately January 2000 to October 2003, Garada submitted hundreds of false claims forms to Anthem and Medicare. Those forms were "upcoded" to falsely indicate that Garada performed complex and comprehensive office visits under more lucrative billing codes. During this time period, Garada also submitted false claims forms to Anthem and Medicare which reflected comprehensive office visits when, in fact, Garada had not seen the patient on the date claimed for services rendered or had only provided a prescription refill on the date claimed.

for services rendered.

The investigation was conducted by special agents of the Federal Bureau of Investigation, investigators at the Drug Enforcement Agency, special agents of the Department of Health and Human Services, arson investigators at the Fairfax County Fire Department, and private investigators from Anthem. The prosecution of the case was handled by Assistant United States Attorney Steve Mellin and Special Assistant United States Attorney Kelli Ferry.

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